



Department of Energy
Richland Operations Office
P.O. Box 550
Richland, Washington 99352

03-PRO-0249

FEB 03 2003

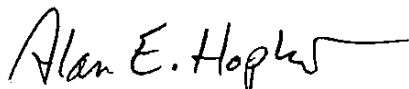
Mr. E. K. Thomson, President
Fluor Hanford, Inc.
Richland, Washington 99352

Dear Mr. Thomson:

CONTRACT NO. DE-AC06-96RL13200 – CONTRACT MODIFICATION M164, UPDATED
CONTRACT SECTION J, APPENDIX I, SMALL BUSINESS SUBCONTRACTING PLAN
AND SECTION J, APPENDIX B, ADVANCE UNDERSTANDING ON PERSONNEL
COSTS, POLICIES AND PROCEDURES

Enclosed for your files is a fully executed signed original of Contract Modification M164,
subject as above. Should you have any questions, please contact me on (509) 376-2031.

Sincerely,


Alan E. Hopko
Contracting Officer

PRO:AEH

Enclosure

cc: J. L. Jacobsen, FHI

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT			1. CONTRACT ID CODE	PAGE 1 OF 2 PAGES
2. AMENDMENT/MODIFICATION NO. M164	3. EFFECTIVE DATE See Block 16C	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)	
6. ISSUED BY U.S. Department of Energy Richland Operations Office 825 Jadwin Avenue, MSIN A7-80 Richland, WA 99352	CODE	7. ADMINISTERED BY (If other than Item 6)	CODE	
8. NAME AND ADDRESS OF CONTRACTOR (No. Street, county, State and ZIP Code) Fluor Hanford, Inc. 2420 Stevens Center PO Box 1000 Richland, WA 99352			(✓)	9A. AMENDMENT OF SOLICITATION NO.
				9B. DATED (SEE ITEM 11)
				10A. MODIFICATION OF CONTRACT/ORDER NO. DE-AC06-96RL13200
				10B. DATED (SEE ITEM 13) 08/06/96
CODE	FACILITY CODE			

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

☐ The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers ☐ is extended, ☐ is not extended.

Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:

(a) By completing Items 8 and 15, and returning one (1) copy of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATA SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and data specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

N/A \$0.00



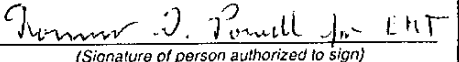

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

(✓)	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
X	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: Mutual Agreement
	D. OTHER Specify type of modification and authority)

E. IMPORTANT: Contractor ☐ is not, ☒ is required to sign this document and return 2 copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

This modification makes the changes listed on page 2.

 		Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A as heretofore changed, remains unchanged and in full force and effect.	
15A. NAME AND TITLE OF SIGNER (Type or print) E.Keith Thomson President and Chief Executive Officer		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Alan E. Hopko Contract Specialist	
15B. CONTRACTOR/OFFEROR  (Signature of person authorized to sign)	15C. DATE SIGNED 1-29-03	16B. UNITED STATES OF AMERICA BY  (Signature of Contracting Officer)	16C. DATE SIGNED 01/31/03

This modification updates Contract Section J, Appendix I, Small Business Subcontracting Plan. This update incorporates the Small, Small HUBZone, Small Disadvantaged and Woman-Owned Small Business Subcontracting Plan (Revision October 17, 2002) for Fiscal Year 2003, copy attached.

This modification updates Contract Section J, Appendix B, Advance Understanding on Personnel Costs, Policies and Procedures, Paragraph 4.5.1 to incorporate the changes to the Personal Time Bank and Other Absences requirements as approved in RL letter 02-PRO-563 (0200024), dated December 31, 2001. The attached replacement pages J-B-11 and J-B-12 show these changes.

- E. The Contractor will take no action concerning termination, merger, spin-off, or other action affecting the status of the plans as separate, contract-only plans without the approval of DOE.

4.5 PAID ABSENCES

- 4.5.1 Personal Time Off – A Personal Time Bank (PTB) is established for eligible employees. Absences for leisure time off, personal time off, facility closure days (holidays), time away from work due to illness or injury, family emergencies or medical/dental appointments will be charged to the employee's PTB account if the employee wishes to receive pay for the absence. Absences for exempt employees will be charged to the PTB account in full day increments.

Eligible Employee: Regular full-time or part-time exempt and salaried non-exempt employees.

Pay Rate: Hours taken as time off will be paid at the employee's base salary rate in effect at the time of absence.

Composition: Accrual rates will include the following:

Vacation:	0-5 years service	80 hrs/yr
	>5 years service	120 hrs/yr
	>10 years service	160 hrs/yr
	>20 years service	200 hrs/yr

Holidays: 72 hours designated as facility closure
Days 8 hours designated by employee as floater

The facility closure days include New Year's Day, President's Day*, Memorial Day*, July 4th, Labor Day, Thanksgiving Day, Friday After Thanksgiving, December 24, and Christmas Day.

*These days are observed on the day specified by Federal Law

Sick Personnel:	Exempt	40 hrs/yr
	Salaried non-exempt	56 hrs/yr

Time Not Included: Absences for the following will not be taken from an employee's PTB account: Death in the Family (up to

5 days per event), Absences of less than full day increments for exempt employees; Excused absence (EA) Time for non-exempt employees (8 hours per year for employees who work north of the Wye Barricade); Jury Duty; Military; Road Conditions; Plant Injury; Volunteerism; and Miscellaneous absences as defined in the PTB Policy.

Cash Out Provision: During periods of active service, eligible employees may request a partial cash out of accrued PTB hours.

- Employees will be allowed one cash out in a calendar year except in those cases where the employee is terminating.
- At least 120 hours must remain in the employee's account after the cash out.
- The maximum hours which may be cashed out in a calendar year are 120 hours in 2000 and thereafter.
- The rate of cash out will be at the base salary at the time of cash out. Cash out will be in one-hour increments.
- Employees may opt to put the cash directly into their after-tax Savings Plan account.

Maximum PTB Hours: An employee may accumulate up to a maximum number of PTB hours as follows:

- In 2000 900 hours
- In 2001 and thereafter 1000 hours

EXEMPT ACCRUALS (hours per biweekly pay period)

	<u>2000 and thereafter</u>
0-5 years of service	7.69
5-10 years of service	9.23
10 to 20 years of service	10.77
More than 20 years of service	12.31

**PART III - LIST OF DOCUMENTS
EXHIBITS AND OTHER ATTACHMENTS**

SECTION J

APPENDIX I

**SMALL, SMALL HUBZONE, SMALL DISADVANTAGED AND WOMAN-OWNED
SMALL BUSINESS SUBCONTRACTING PLAN FOR FY 2001**

(Revision October 17, 2002)

(consisting of six pages including this cover page)

Small, Small HUBZone, Small Disadvantaged, Disabled Veteran, Veteran-Owned, and Woman-Owned Small Business Subcontracting Plan

1. Name of Prime Contractor: Fluor Hanford, Inc.
Address: Post Office Box 1000, MSIN H7-02
Richland, Washington 99352

2. Contract of Solicitation No.: DE-AC06-96RL13200

Total Amount of Contract: \$7.58 Billion
Period of Performance: October 1, 2001 through September 30, 2006
Place of Performance: Richland, WA

Description of Contract Requirements: Fluor Hanford, Inc. (FH) shall provide all materials, supplies, services and transportation necessary to perform the Statement of Work as Management Contractor for DOE, Richland Operations Office.

Items 3 through 7 are based on FY03 dollars only. The 21% is based on \$513¹ million of FH cost for FY03.

3. Total amount of planned subcontracting: \$110,000,000

Percentage of total amount of contract: 21%

4. Total planned for subcontracting to Small Business \$37,400,000
(Small Business) (Including item 5, 6, 7 and 8 below):

Percentage of total amount of planned subcontracting: 34%

5. Total planned for subcontracting to Small Disadvantaged Business (part of item 4): \$ 5,500,000

Percentage of total amount of planned subcontracting: (part of item 4) 5%

6. Total planned for subcontracting to HUBZone Small Business (part of item 4): \$ 3,300,000 Percentage of total amount of planned subcontracting: (part of item 4) 3%

7. Total planned for subcontracting to Woman-Owned Small Business (part of item 4) \$5,500,000

Percentage of total amount of planned subcontracting: (part of item 4) 5%

¹ Excludes goal and base dollars associated with RL Directed, Non-Defense and Environmental Restoration work, affiliate work issued as an interdivisional transfer at cost and other DOE Government Contractors, including National Labs.

8. Total planned for subcontracting to Disabled Veteran-Owned Small Business (part of item 4) \$110,000
Percentage of total amount of planned subcontracting: (part of item 4) 0.1%
9. Total planned for subcontracting to Veteran-Owned Small Business (part of item 4) \$550,000
Percentage of total amount of planned Subcontracting: (part of item 4) 0.5%
10. Items to be subcontracted under this contract and the types of businesses supplying them are: (Check all that apply)

Subcontracting Items	Large Businesses	SB	SDB	HUBZone	Veteran- Owned	Disabled Veteran	WOSB
Office Supplies		X	X	X	TBD	TBD	X
Janitorial Supplies		X	X	TBD	TBD	TBD	X
Office Equipment		X	X	TBD	TBD	TBD	X
Temporary Empl. Services	X	X	X	TBD	TBD	TBD	X
A/E Services	X	X	X				
Lab Services	X	X		TBD			
Safety Equipment	X	X	X	TBD	TBD	TBD	X
Fuels		X	X	TBD			
Operating Materials	X	X	X	TBD	TBD	TBD	X
Real Estate	X	X					
Miscellaneous Services	X	X	X	TBD	TBD	TBD	X

11. The method used to develop the subcontracting goals for Small, Small HUBZone, Small Disadvantaged, Disabled Veteran and Woman-Owned Small Business concerns is described as follows:

In formulating the goals for Small, Small HUBZone, Small Disadvantaged, Disabled Veteran, Woman-Owned Small Business concerns for FY 2003, FH utilized current guidance from the U. S. Department of Energy Richland Operations Office. FH used historical data from actual accomplishments for FY 2002. In addition, the following were considered:

- FH believes these goals are achievable based on historical data and what we see as the opportunity and condition of the supplier community. However, we recognize DOE-RL may choose to flow down mandated goals for HUBZone and Disabled Veteran-Owned Goals, and FH will do their best in making a good faith effort to achieve these goals.
 - Due to the committed FY03 placement dollars, approximately 50% of the total estimated FY 2003 base (~\$110M) is already committed and 90% of those dollars committed are to large businesses. In addition, there is a 4% reduction in the funding level, thus this 4% reduction has been calculated into the FY 2003 base.
 - The goals above reflect a FH target for 60% placement of new procurement during FY 2003 with small businesses. This represents an ambitious effort given the unique nature of the types of goods and services that are not already tied up in multi-year agreements.
 - These goals are based on current SBA certification requirements.
 - The unavailability of HUBZone and Disabled Veteran Small Businesses for the projected needs of FH in FY 2003.
 - FH Supplier Advocacy Office, in coordination with the contract specialists continues to seek the maximum practicable procurement opportunities for small businesses. FH Contracts, working with various project customers has issued a number of solicitations in which requirements were structured to allow for multiple awards to facilitate greater participation by small businesses. For example, the old JIT contracts as they expire, are being recompeted using a "Market Place", web-based concept, which allows several small businesses to be awarded the contract and listed as a source for the specific products, e.g. Office Products. This contract was set aside for small, local businesses and was awarded to three small, HUBZone and Woman-Owned businesses. Using this new "Market Place" web-based concept allows more small businesses to participate and provides FH a wider selection in procuring those goods we need as well as providing competitive pricing and availability. In addition, FH has a staff augmentation BOA in place with over 50+ local businesses participating, thus providing a greater opportunity for local small business participation. Changing our business strategy for E-commerce (eStore) to open up high volume commodities to more than one local, small business, from single to multiple awards, provides a greater opportunity for small businesses to participate in the procurement process.
12. The method used to identify potential sources for solicitation purposes is as follows:
- Existing company source lists; Small Business Administration including regional and Headquarters; Pro-Net; small, small HUBZone, Small Disadvantaged, Disabled Veteran, woman-owned Small Business concerns trade associations; Trade Fairs; conferences/conventions; and workshops.
13. Indirect costs are () are not (X) included in the above goals (*check one*).
14. The following individual will administer the subcontracting program:

Name: Catherine Pearsall
Title: Small Business Liaison, Supplier Advocacy Office
Address: P.O. Box 1000, MSIN H7-02
Richland, Washington 99352
Telephone: (509) 376-4697

This individual's specific duties as they relate to the firm's subcontracting program are as follows:

-
-
- a. Ensuring, in the project's acquisition of goods and services, that Small, Small HUBZone, Small Disadvantaged, Disabled Veteran, Women-Owned Small Business concerns are provided the maximum opportunity practicable to compete for subcontracted work and purchased materials.
 - b. Ensuring the establishment and maintenance of records of the total dollar value of solicitations and awards to Small, Small HUBZone, Small Disadvantaged, Disabled Veteran, Women-Owned Small Business concerns, large business concerns and total solicitations and awards.
 - c. Preparing and submitting semi-annual reports (SF294) on direct procurements to the contracting officer.
 - d. Developing and maintaining source files (Pro-Net and others) of Small, Small HUBZone, Small Disadvantaged, Disabled Veteran, Women-Owned Small Business concerns for use by the project in preparing bidders lists for solicitations of direct and indirect goods and services.
 - e. Participating or ensuring participation of company representatives in Small, Small HUBZone, Small Disadvantaged, Disabled Veteran, Women-Owned Small Business trade associations, seminars, and business opportunity workshops and outreach programs.
 - f. Conducting or arranging for conduct of instructional and motivational workshops for procurement and contracts personnel and others in the duties and methods of enhancing the participation of Small, Small HUBZone, Small Disadvantaged, Disabled Veteran, Women-Owned Small Business firms in Project Hanford's acquisitions.
 - g. Coordinating project activities during conduct of compliance reviews by federal agencies.
 - h. Cooperating in any studies or surveys or submission of reports (in addition to those in Item C, above) as may be required by the Department of Energy or the Small Business Administration.
 - i. Establishing and maintaining adequate records of the above activities to document compliance with this subcontracting plan.
 - j. Assisting in implementing a procurement system, which uses the information highway to expand access by Small, Small Disadvantaged, Women-Owned Small Business concerns to the procurement process.
15. The following efforts will be made to assure that Small, Small HUBZone, Small Disadvantaged, Disabled Veteran, Woman-Owned Small Business concerns will have an equitable opportunity to compete for subcontracts.
- a. Identify potential projects or portion of projects that can be performed by Small, Small HUBZone, Small Disadvantaged, Disabled Veteran, Woman-Owned Small Business concerns.
 - b. Include Small, Small HUBZone, Small Disadvantaged, Disabled Veteran, Woman-Owned Small Business concerns in Request for Quotes where such concerns are known to exist and are qualified to supply the items or services being procured.
 - c. Assist Small, Small HUBZone, Small Disadvantaged, Disabled Veteran, Woman-Owned Small Business concerns with mentoring through the Supplier Advocacy Office, Small Business Liaison.
 - d. Arrange bid solicitation; time for preparation of proposals, quantities, specifications and delivery schedules to facilitate participation.

- e. Provide training for Small, Small HUBZone, Small Disadvantaged, Disabled Veteran, Woman-Owned Small Business concerns in doing business with the PHMC (Project Hanford Management Contract).
16. The clause entitled "Utilization of Small Business Concerns" will be included in all subcontracts that offer further subcontracting opportunities and all subcontractors (except Small Business concerns) who receive subcontracts in excess of \$500,000 (\$1,000,000 for construction of any public facility) will be required to adopt a plan similar to the plan agreed to by the offeror.
17. The contractor will cooperate in any studies or surveys as may be required; submit periodic reports in order to allow the Government to determine the extent of compliance by the offeror with the subcontracting plan; submit Standard Form 294, "Subcontracting Report for Individual Contracts," and Standard Form 295, "Summary Subcontract Report," in accordance with the instructions on the forms; and ensure that its subcontractors agree to submit Standard Forms 294 and 295.
18. The following types of records will be maintained to demonstrate procedures that have been adopted to comply with the requirements and goals in the plan, including establishing source lists; and a description of its efforts to locate Small, Small HUBZone, Small Disadvantaged, Disabled Veteran, Woman-Owned Small Business concerns and award subcontracts to them. The records shall include at least the following (on a plant-wide or company-wide basis, unless otherwise indicated):
- a. Source lists, guides and other data that identify Small, Small HUBZone, Small Disadvantaged, Disabled Veteran, Woman-Owned Small Business concerns.
 - b. Organizations contacted in an attempt to locate sources that are Small, Small HUBZone, Small Disadvantaged, or Woman-Owned Small Business concerns.
 - c. Records on each subcontract solicitation resulting in an award of more than \$100,000, indicating (1) whether Small Business concerns were solicited and if not, why not, (2) whether Small HUBZone Business concerns were solicited and if not, why not, (3) whether Small Disadvantaged Business concerns were solicited and if not, why not, (4) whether Woman-Owned Small Business concerns were solicited and if not, why not, and (5) if applicable, the reason award was not made to a Small Business concern.
 - d. Records of any outreach efforts to contact (1) trade associations, (2) business development organizations, and (3) conferences and trade fairs to locate Small, Small HUBZone, Small Disadvantaged, Disabled Veteran, Woman-Owned Small Business sources.
 - e. Records of internal guidance and encouragement provided to buyers through (1) workshops, seminars, training, etc., and (2) monitoring performance to evaluate compliance with the program's requirements.
 - f. On a contract-by-contract basis, records to support award data submitted by the offeror to the Government, including the name, address and business size of each subcontractor. (Contractors having company or division-wide annual plans need not comply with this requirement.)

Plan Submitted by:

Catherine Pearsall
Catherine Pearsall,
Small Business Liaison
FH Supplier Advocacy Office

Plan accepted by:

Sally A. Sherack
(Contracting Officer)

Date:

10/17/02

Date:

17 Oct 02